

The complaint

Ms K complains about the delays in QIC Europe Ltd dealing with a claim for fire damage on her home insurance policy.

What happened

In March 2022, Ms K was woken up during the night by a neighbour banging on her front door. Ms K's next door neighbour's house was on fire. The two properties are joined together and the fire affected Ms K's house. Ms K and her partner were luckily not harmed by the fire, however, Ms K later called QIC to claim for the damage caused by the fire.

QIC reviewed the claim and accepted it. It also arranged for Ms K to have alternative accommodation (AA) as her house was uninhabitable due to the damage. The neighbour's property was initially deemed unsafe and so QIC couldn't start work on Ms K's house. However, in July 2022, the neighbour's property was deemed safe and so QIC was able to commence work.

Ms K initially complained to QIC in July 2022 about the poor claim handling. QIC acknowledged it hadn't responded to Ms K requests for updates and chasers but said the building work was likely to start in 3-4 weeks' time and be completed by Christmas. In October the repair work still hadn't started and so Ms K complained again. As she didn't get a response, Ms K referred her complaint here. She said QIC was taking too long to start work on her house, additional items had been damaged as the house wasn't weather tight and she was concerned her AA would run out before her house had been repaired.

I issued a provisional decision on this complaint on 21 September 2023 where I said:

"When issuing my decision, I would like to clarify that I'm only considering what's happened up until Ms K raised her second complaint with QIC on 9 October 2022. Concerns about anything that happened after that date would need to be raised as a separate complaint.

When dealing with a claim QIC should do so promptly. It's clear from the length of time since the claim was reported and Ms K raising her complaint about delays that this hasn't happened. I understand QIC has said the delays are outside of its control, however, I'm not satisfied it's done enough to persuade me of that.

I say this because I can see Ms K raised her claim in March 2022, then in July 2022 QIC was able to commence work once the property was deemed safe. QIC acknowledged it could commence work in its response to Ms K's initial complaint, in July 2022. However, when Ms K complained in October 2022 work still hadn't commenced. I'm also aware it didn't start until around February 2023. However, as I'm only considering the delays up until Ms K made her second complaint on 9 October 2022, the delays after that date will need to be considered separately.

QIC has said it was unable to start work as it needed to repair the roof first and that this work needed to tie in with the neighbour's roof being repaired, as they are connected to each other. QIC said if this wasn't done then it would leave an overhang until the neighbour's roof

was repaired, which would require a building warrant. Ms K disagreed with this point and following our investigators outcome checked this with her local authority's building standards department. She's provided an e-mail from them which confirms QIC would not need a building warrant.

Even if QIC did need a building warrant, I'm not persuaded it's handled the claim promptly. I say this as Ms K raised with QIC in July 2022 that her neighbour's repairs were still not likely to start for several months. And so, I think it would have been fair and reasonable for QIC to look at what other options it could pursue, rather than just wait for the neighbour's repair work to start. And as it hasn't shown it did this, I'm not persuaded it's acted fairly by not starting work or looking at other alternatives.

As I'm satisfied that it appears QIC has unfairly delayed Ms K's claim, I've looked at how to put this right. By not progressing the claim promptly, it would appear QIC has caused around four months of delays, when Ms K complained in October 2022. I can also see QIC acknowledged it didn't respond to Ms K when she chased her claim as it should have. From looking at the claim notes Ms K was regularly chasing QIC and asking for updates and clarification on what was happening as it wasn't clear.

When taking the delays and poor claim handling into account, I'm satisfied £750 is fair and reasonable compensation for the unnecessary distress and inconvenience QIC has caused. I say this as Ms K was in AA and concerned about her home and her belongings, following what was a traumatic event. It's clear from the contact notes that Ms K was concerned about this and also where she would live if her AA ran out before her house was repaired. Therefore, QIC needs to pay Ms K £750 for the unnecessary distress and inconvenience it caused up until 9 October 2022.

I've also considered Ms K's points about additional items being damaged, and her AA running out before her house is habitable again. As I'm satisfied QIC has delayed the claim, I expect it to ensure Ms K's AA is extended to cover the four months of delays it caused up until 9 October 2022. However, in regard to the additional damaged items, as Ms K's house wasn't weathertight when she complained, it's not clear the extent of the damage the delays have caused to other items. Once Ms K's property is weathertight, I would expect QIC to review the additional damage caused while Ms K waited for her property to be repaired and made watertight. If Ms K is unhappy with QIC's response at that time, Ms K would need to raise her complaint about those items separately to this complaint."

QIC responded and didn't accept my provisional decision. It said while a building warrant wasn't needed for the repairs to Ms K's house, as it is a mid-terraced house then it would either have been unsafe to leave the roof exposed until the neighbour's property was rebuilt or would need to effectively be turned into an end terrace property, which would require a building warrant.

QIC also didn't agree it hadn't handled the claim promptly. It said it had chased the repairs on the neighbour's property on 7 July 2022, 26 September 2022 and 10 October 2022. QIC also didn't think £750 compensation for distress and inconvenience was in line with other awards this service would make.

Ms K responded and said QIC was notified on 26 April 2022 that the property was made safe and so thought repairs could have started sooner than July 2022. Ms K also reiterated that this issue has caused her significant distress and inconvenience.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and

reasonable in the circumstances of this complaint.

I've considered the responses, but I'm not persuaded to depart from the findings in my provisional decision. I say this because while QIC has shown it chased the repairs with the neighbour's property three times, I'm not satisfied this is enough to show it was dealing with the claim promptly. This is because the incident occurred in March 2022, and QIC was notified in April 2022 that the property was safe. I'm therefore not persuaded that chasing the neighbour's repairs in July 2022 is handling the claim promptly or that QIC looked at other options to move this claim forward as explained above.

I've also considered QIC's comments in regard to the £750 compensation I recommended in my provisional decision. I've noted QIC's comments, but I don't agree. The compensation I've awarded is in line with when substantial distress and inconvenience has been caused. I'm satisfied QIC delayed this claim for at least four months and Ms K has clearly suffered substantial distress and inconvenience during this time. This is because this claim has affected her home, meaning it wasn't able to be lived in and also her belongings. Ms K was also chasing QIC to move the claim along and clearly extremely worried about the additional damage being caused. I'm therefore satisfied Ms K did most likely suffer considerable distress and inconvenience, and so QIC needs to pay her £750 to compensate for this.

My final decision

For the reasons explained above and in my provisional decision, my final decision is that I uphold this complaint. I require QIC Europe Ltd:

1. Pay Ms K £750 for distress and inconvenience caused by the claim delays until 9 October 2022
2. Add an additional four months to the maximum allowed for Ms K's alternative accommodation, if needed, to compensate her for the delays up until 9 October 2022
3. Review any additional damage caused to Ms K's property and belongings once the property is watertight

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms K to accept or reject my decision before 3 November 2023.

Alex Newman
Ombudsman